Numbers of Fraud Cases Above 25 Lacs

2813. LT. GEN. PRAKASH MANI TRIPATHI: Will the Minister of FINANCE be pleased to state:

(a) The bank-wise, details of pending cases of frauds, scams, financial bunglings etc. in Public Sector Banks involving amount of Rs.25 lacs and above alongwith the date of detection and the stage at which each such case is pending.

(b) the details of the cases, out of the above pending with the Central Vigilance Commission and/or the Central Bureau of Investigation;

(c) the action taken against those bank executives, particularly those in Scale V and above, who are involved in such pending cases;

(d) the deterrent action the Government propose to take against those senior executives of the Public Sector Banks after their guilt is proved; and

(e) if not, whether the Government propose to lay down a time schedule to complete investigations in such pending cases?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (e) Readily available information in regard to the number of frauds detected in the public sector banks in the past three years, bank-wise, is given in the attached statement.

The cases of frauds, are normally referred to the Central Bureau of Investigation (CBI) or the local police for investigation. The Investigating agency, on completion of investigations may prefer to file a charge-sheet, or recommend departmental action or close the case. In cases of departmental action, the banks are required to consult the Central Vigilance Commission (CVC) as per the procedure laid down. Readily available data in ragard to the action taken against delinquent employees involved in cases of frauds is as follows:

	1994	1995	1996
(i) No. of employees convicted	50	33	46
(ii) No. of employees awarded major/minor penalty	1248	1160	1207
(iii) No.of employees dismissed/discharged/ removed	360	301	331

The nature of investigations and the time taken in completing the investigations varies from case to case. Further, departmental proceedings are in the nature of quasi-judicial proceedings where the rules of natural justice have to be strictly adhered to. However, public sector banks have been advised to complete departmental proceedings as expeditiously as possible.

Statement

Statement showing bank-wise number of frauds detected in public sector banks during the years 1994,1995 and 1996

Sl.No.	Name of the Bank	No. of Frauds		
		1994	1995	1996
1	2	3	4	5
1.	State Bank of India	616	554	468 *7
2.	State Bank of Bikaner & Jaipur	21	18	13
3.	State Bank of Hyderabad	23	40	36
4.	State Bank of Indore	26	09	16
5.	State Bank of Mysore	37	38	23
6.	State Bank of Patiala	30	33	19
7.	State Bank of Saurashtra	12	09	13
8.	State Bank of Travancore	25	22	29
9.	Allahabad Bank	39	48	59
10.	Andhra Bank	25	41	37
11.	Bank of Baroda	159 *15	114 *10	101

1	2	3	4	5
12.	Bank of India	215	156	158
		*11	*04	
13.	Bank of Maharashtra	50	31	34
14.	Canara Bank	217	167	213
15.	Central Bank of India	130	73	142
16.	Corporation Bank	38	23	23
17.	Dena Bank	22	14	27
18.	Indian Bank	60	37	34
19.	Indian Overseas Bank	71	43	49
20.	Oriental Bank of Commerce	14	12	30
21.	Punjab National Bank	118	56	66
22.	Punjab & Sind Bank	17	17	24
23.	Syndicate Bank	103	109	154
24.	Union Bank of India	39	59	79
25.	United Bank of India	43	40	33
26.	UCO Bank	58	74	39
27.	Vijaya Bank	32	39	28
	Total	2266	1890	1954

'*' Outside India

(Data Provisional)

Violation of Guidelines by Private Sector Banks

2814. SHRI JANG BAHADUR SINGH PATAL: Will the Minister of FINANCE be pleased to state:

(a) whether the Ministry had written to the RBI in March, 1997 to ascertain if certain private sector banks have violated the RBI guideline regulations;

(b) if so, whether the RBI has looked into the matter and the outcome thereof; and

(c) the action taken by the Govt. thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) whenever complaints are received relating to violation of guidelines/ regulations by private sector banks, they are forwarded to Reserve Bank of India (RBI), which is the regulator for the banking industry.

(b) and (c) According to RBI, they have taken steps to evolve a system whereby an alert machanism for monitoring compliance to RBI/Government directive, by the banking system is ensured. Furthermore, after the constitution of the Board for Financial Supervision (BFS), RBI have developed a focused system of banking supervision.

Scams by Indian Banks in Foreign Countries

2815. SHRIMATI LAKSHMI PANABAKA: Will the Minister of FINANCE be pleased to state:

(a) whether all the 28 nationalised banks including the branches of Indian banks operating in foreign countries are involved in Banks' scams;

(b) if so, whether the Prime Minister had issued directions to all the concerned to enquire into all the bank's scams;

(c) if so, the total number of enquiry reports against the banks so far submitted to the Govt.; and

(d) the total amount involved both in India and abroad and what action has been taken against those held responsible?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ):(a) and (d) The information relating to number of frauds detected in public sector banks including their overseas branches, amount involved and action taken against delinquent employees for their involvement in frauds during the years 1994, 1995 and 1996 is given below: